

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DISRUPTION OF GAS SUPPLY TO)	
SALYERSVILLE GAS COMPANY, INC.)	CASE NO. 92-541
AND IMPLEMENTATION OF GAS)	
CURTAILMENT PLAN)	

O R D E R

On December 8, 1992, this proceeding was established and the Commission issued an Order requiring Salyersville Gas Company, Inc. ("Salyersville") to implement certain gas curtailment provisions attached as an Appendix to this Order. At that time, the Trustee in Bankruptcy for Salyersville, Morris Kennedy, had contacted Commission Staff and advised that disruptions in gas service to some of its customers had occurred due to an inadequate supply of gas. Subsequently, gas supply to Salyersville became sufficient for typical winter weather conditions.

On September 4, 1993, Sigma Gas Corporation, Inc. ("Sigma") and James Lyon, successor to Mr. Kennedy as Trustee in Bankruptcy for Salyersville, applied for approval to transfer the assets of Salyersville to Sigma, pursuant to terms of a letter agreement between the applicants dated April 16, 1993 and a plan of liquidation confirmed by the bankruptcy court on July 16, 1993.¹ The transfer of the assets of Salyersville to Sigma was conditioned

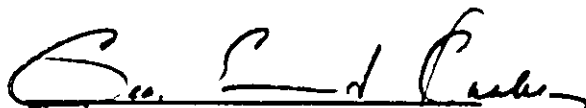
¹ Case No. 93-349, The Joint Application of Sigma Gas Corporation and Salyersville Gas Company, Inc. for Approval of the Acquisition of Assets of Salyersville Gas Company, Inc.

upon the installation and operation of a compressor to ensure a reliable source of gas supply.² On January 10, 1994, Commission Staff verified that the compressor had been installed and was in operation.

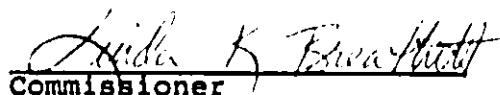
IT IS THEREFORE ORDERED that this case be and hereby is closed. Within 30 days of the date of this Order, Sigma shall file with the Commission the curtailment plan attached as an Appendix to this Order to be incorporated into its tariff.

Done at Frankfort, Kentucky, this 3rd day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

² Case No. 93-349, Order entered December 15, 1993, pps. 7-8.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-541 DATED DECEMBER 8, 1992

GAS CURTAILMENT PLAN SALYERSVILLE GAS COMPANY

In case of impairment of gas supply or partial or total interruption and when it appears Salyersville Gas is or will be unable to supply at any time the requirements of all its customers in any system or segment thereof due to any cause whatsoever, then the Order of Curtailment or Interruption of Service, insofar as practicable shall be:

- Step 1. Deliveries to industrial or other customers under contracts providing for interruptible service and curtailment.
- Step 2. Deliveries to industrial customers under contracts or rate schedules providing for firm services.
- Step 3. Deliveries to commercial customers for space heating purposes.
- Step 4. Deliveries to commercial customers for non-space heating purposes.

When the curtailments or interruptions of deliveries in the above steps fail to provide sufficient gas to meet the requirements of the remaining customers, Salyersville Gas shall exercise its best judgment and distribute as equitably as possible the gas that is available, taking into consideration the customers affected and their gas utilization, the operation of its system, and any other factors it deems necessary in the best interests of service, public health, and safety.

When the causes or contingencies of the curtailment or interruptions cease to be operative, Salyersville Gas shall restore full

service to all customers as promptly as possible in the reverse order of the curtailments or interruptions insofar as is practicable.

Salyersville Gas will curtail or interrupt these customers on as equitable a basis as is practicable, using its best judgment, and taking into consideration its operations and related factors and the operations and gas utilization of the customers affected.